

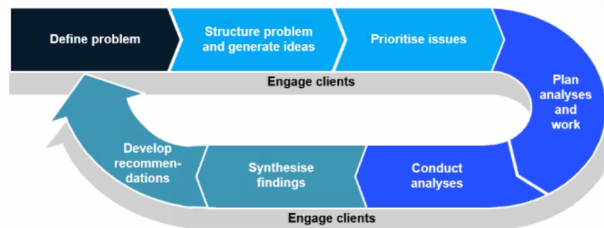
McKinsey has a 7 step problem solving approach which aggregated to 4 phases

1 Define

- Discuss and agree on the definition of the core problem
- **Why:** Team is aligned around problem and methodology

2 Structure

- Identify the best problem solving approach
- Prioritise and target key issues
- **Why:** Bring the right approach



4 Synthesise

- Synthesise findings and develop recommendations
- Engage and leverage your leadership
- **Why:** Build momentum around the recommendation

3 Analyse

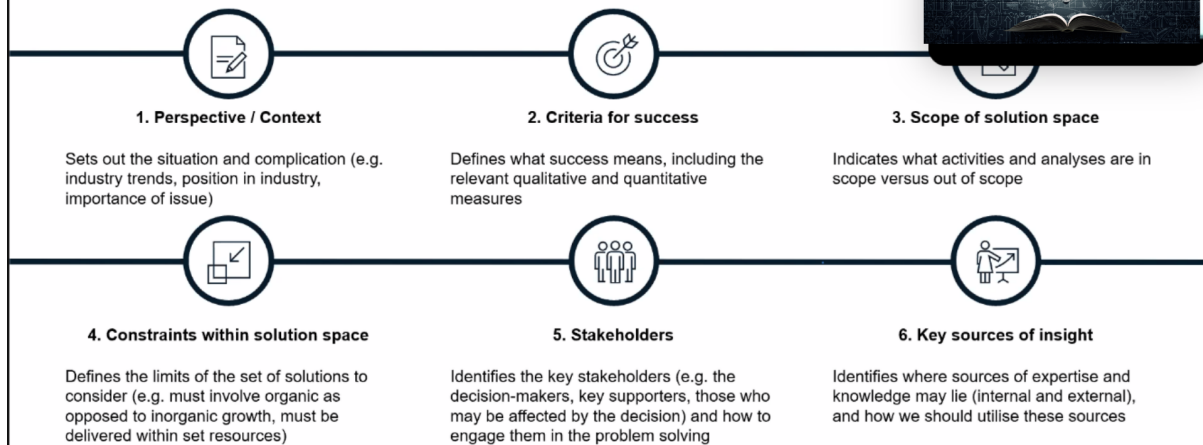
- Use the most appropriate analytic tools
- Ensure analytic rigor is applied to the process
- **Why:** Improper use of advanced analytic tools can create confidence in incorrect answers

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Define the problem with a problem statement worksheet

Basic question

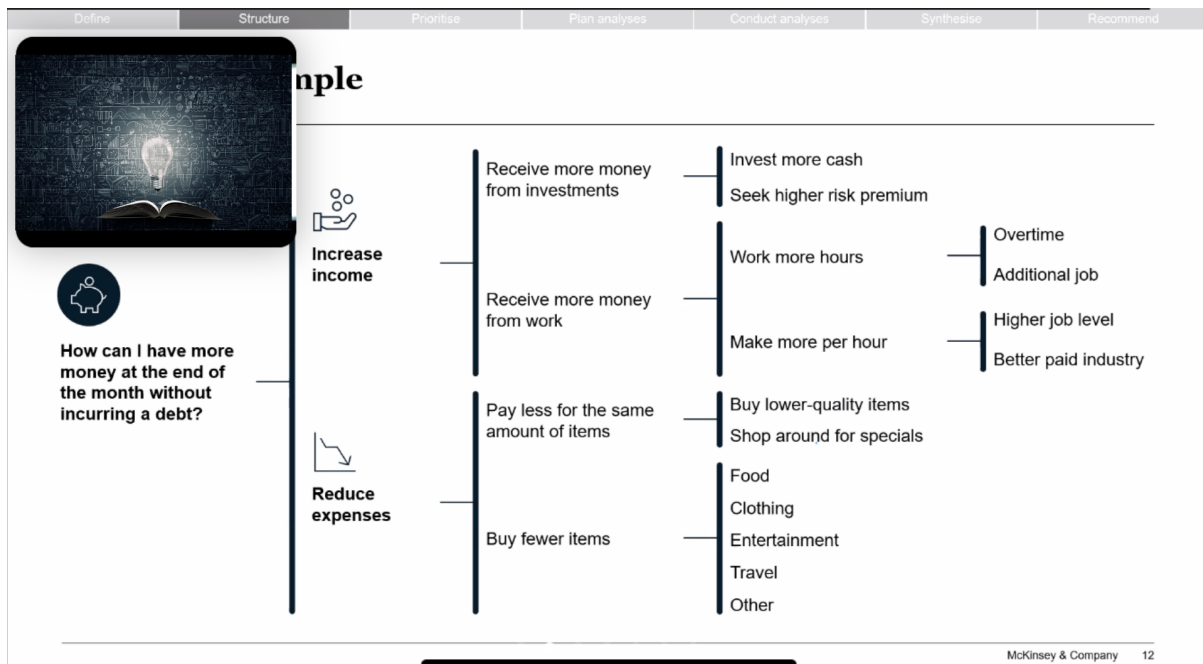
Defines the question to be resolved. It should be SMART (specific, measurable, actionable, relevant and time-bound)

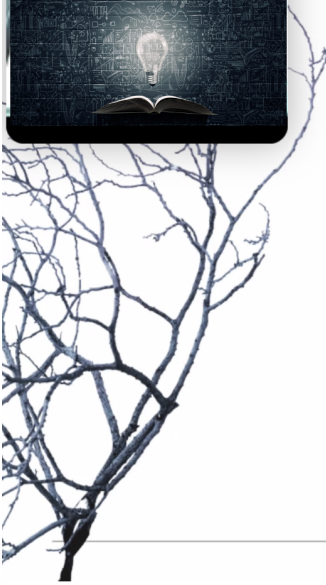


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Define	Structure	Prioritise	Plan analyses	Conduct analyses	Synthesise	Recommend
Structure the problem using an issue tree				Why use an issue tree? To break down a problem into clear and discrete components for analysis To maintain the integrity of the problem-solving process (solving the parts will solve the problem) To help the team prioritise and focus efforts		
				McKinsey & Company 10		

Define	Structure	Prioritise	Plan analyses	Conduct analyses	Synthesise	Recommend
Issue trees are consistent, relevant and				Mutually Exclusive Collectively Exhaustive		
				McKinsey & Company 11		



Define	Structure	Prioritise	Plan analyses	Conduct analyses	Synthesise	Recommend
 Case study: Bushfire recovery						
		Context The Australian bushfires of summer 2019-20 were among the worst bushfires seen in decades More than 18.6 million hectares were burned, 5,900 buildings (including 2,779 homes) were lost, and many infrastructure assets (energy, water, communications, transport and community) were damaged Our client wants to see how they can support communities with their rebuild, balancing speed, value for money and resilience benefits Problem statement How can we help communities recover from the bushfire crisis? What types of support are needed by fire affected communities? How should we prioritise the rebuilding of infrastructure? What will be the implementation challenges?				
						McKinsey & Company 13

Define	Structure	Prioritise	Plan analyses	Conduct analyses	Synthesise	Recommend
 Structure Work in breakout groups 		Question What types of support are needed by fire affected communities? Task Work in breakout groups to create an issue tree to structure your ideas 10 mins				

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Define	Structure	Prioritise	Plan analyses	Conduct analyses	Synthesise	Recommend																		
One approach  What types of support are needed by fire affected communities?  <table border="0"> <tr> <td rowspan="2">Individuals</td> <td>Financial</td> <td>Support for lost employment</td> </tr> <tr> <td>Health</td> <td>Immediate disaster relief e.g. evacuations</td> </tr> <tr> <td rowspan="4">Communities</td> <td rowspan="3">Physical infrastructure</td> <td>Repairing damaged infrastructure</td> </tr> <tr> <td>Economic infrastructure</td> </tr> <tr> <td>Utilities</td> </tr> <tr> <td>Natural environment</td> <td>Business, for-profit infrastructure</td> </tr> <tr> <td></td> <td></td> <td>Rehabilitation of environments</td> </tr> <tr> <td></td> <td></td> <td>Care for animals</td> </tr> </table>							Individuals	Financial	Support for lost employment	Health	Immediate disaster relief e.g. evacuations	Communities	Physical infrastructure	Repairing damaged infrastructure	Economic infrastructure	Utilities	Natural environment	Business, for-profit infrastructure			Rehabilitation of environments			Care for animals
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Define
Structure
Prioritise
Plan analyses
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Synthesise
Recommend

Exercise: Prioritise

Scope of infrastructure

Community
Town hall, council headquarters
Sports clubs
Playground, toilet block

Utilities
Power
Telecommunications
Water supply

Enablers of economic activity
Transport infrastructure
Ports, terminals, wharfs
Fencing

Business
Retail stores
Factories
Restaurants

Question

How should we prioritise which types of infrastructure to rebuild?

Task

- 1 Develop a framework or a few criteria to prioritise which types of infrastructure is the highest priority
- 2 Prioritise the types of infrastructure based on your framework

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Define
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A 2 x 2 matrix with clear criteria can help with prioritisation

Criteria A
E.g. size of opportunity

High

Low

Low High

Criteria B
E.g. ease of implementation

Tips

- Use a quick, informal approach to get a day-one answer
- Use judgement and intuition
- For prioritisation, there is no need to be exact – it is enough to rank the branches of the issue tree
- Involve your team and stakeholders early

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5

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One approach (1/2)

Criteria to prioritise which types of infrastructure is the highest priority

Ownership	Is it a publicly owned or privately owned asset?
Urgency and importance	Is it a basic and important need required by the community urgently?
Standalone	Is it a single purpose asset as opposed to one that may have synergies with other projects that requires considered and coordinated planning?
Economic and social benefits	Does it have positive economic or social externalities?
Financial cost	Will it require less than \$x million investment?

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Define	Structure	Prioritise	Plan analyses	Conduct analyses	Synthesise	Recommend
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One approach (2/2)

Structure the criteria in a decision tree to prioritise the type of infrastructure

Public

Does the project address an urgent and important community need?

Is the project standalone? (i.e. no potential synergies)

Will the project cost less than \$xm?

Is there a significant economic opportunity cost if the project is not completed?

Does the project carry significant social value for the community?

Triage outcome

- No regrets
e.g. Toilet block
- Critical infrastructure
e.g. Launch jetty for commercial fishing
- Complex & considered
e.g. Community Hall
- Backlog
e.g. Lockers at local park

Private

Is the asset likely to be rebuilt by its owner?

Is there a significant economic opportunity cost if the project is not completed?

- Support private sector
e.g. child care
- Leave to private sector
e.g. retail store

Rebuild as a priority due to community reliance on the asset

Engage deeply with the community to ensure fit-for-purpose outcome

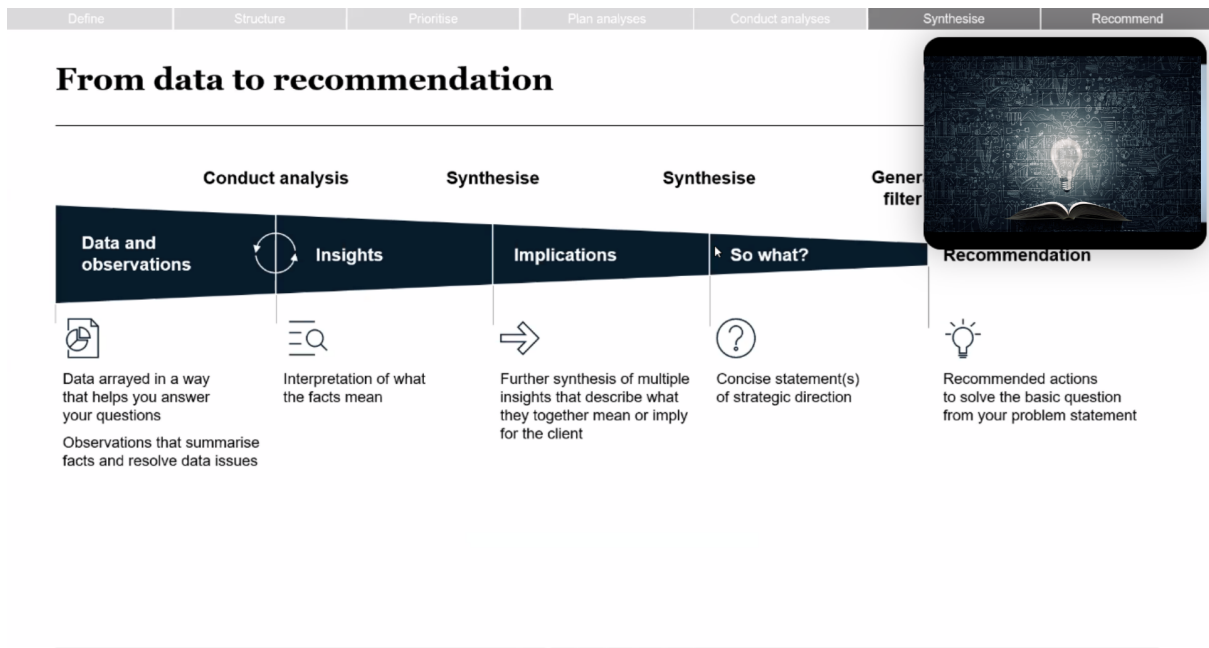
Deliver once urgent community pain points have been resolved

Engage economic support to ensure asset is re-established

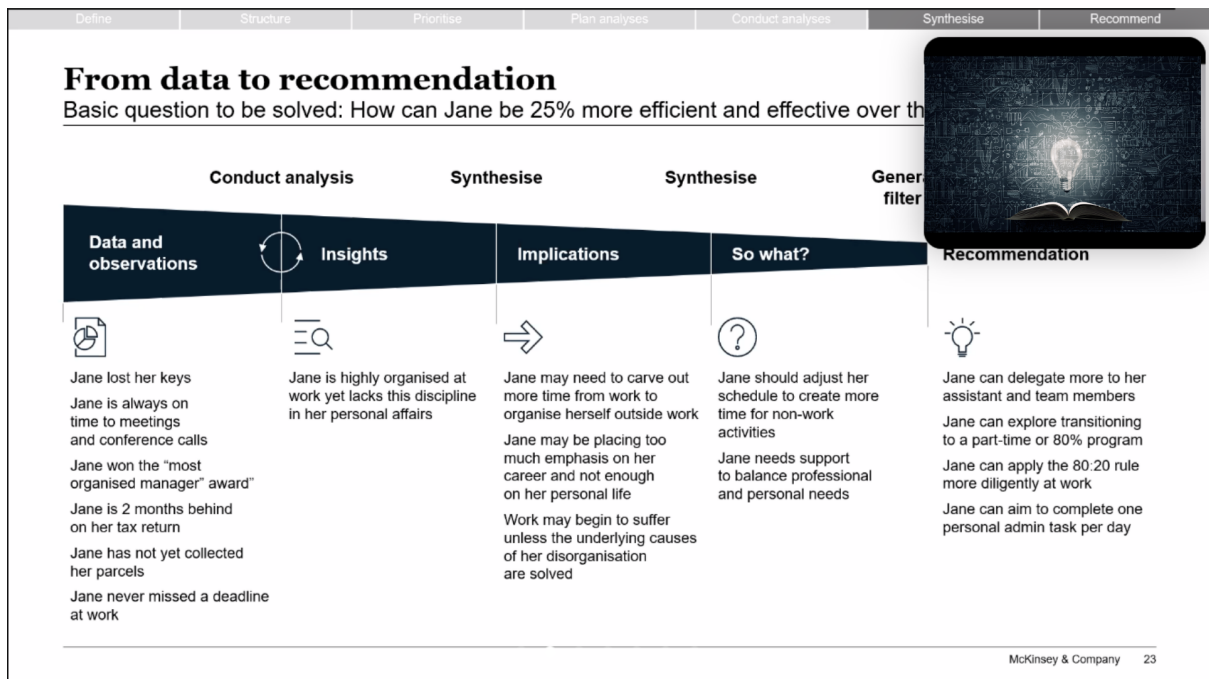
Let the private sector determine how and when the asset is reestablished

There may be assets where the ownership is unclear or mixed – will need to address these assets on a case by case basis

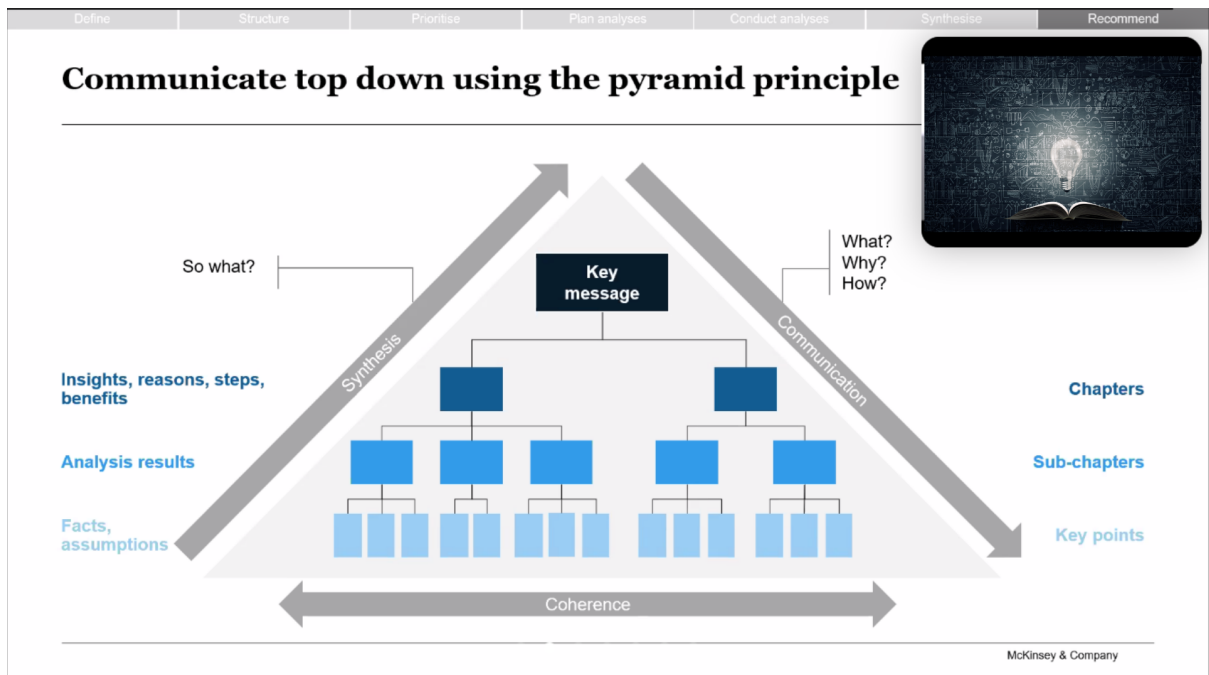
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Zoom

Leave

Structure of a McKinsey case interview

1 Introduction	2 Framework	3 Calculations	4 Hypotheses	5 Conclusion
Understand the case and the problem statement Ask your interviewer questions Non-evaluative	Structure your approach for the rest of the case Create an issue tree or key "buckets" to explore Tailor your framework	Read the exhibit and understand the data Perform calculations by pen and paper Deduce the key insights	Generate hypotheses based on the data Link this to your overall framework Specify next steps	Synthesise your findings to key insights and a set of recommendations

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